

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number 510010676 Mine Name \_\_\_\_\_

Operator \_\_\_\_\_ Date \_\_\_\_\_

TO \_\_\_\_\_ FROM \_\_\_\_\_

☐ CONFIDENTIAL ☐ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE  
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI  
☐ AMENDMENT ☐ OTHER \_\_\_\_\_

Description

YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded  
Closure letter

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
Bond File

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
Bond File

**CONFIDENTIAL**

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: \_\_\_\_\_

CC: \_\_\_\_\_



Other Agency File Number:

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

---ooOoo---

**SMALL MINE RECLAMATION CONTRACT**

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between CS Mining, LLC the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/001/0076 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling



ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation



obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.



12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.



The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

CS Mining, LLC

Operator Name

By David Richards

Authorized Officer (Typed or Printed)

Manager

Authorized Officer - Position

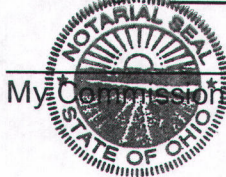
David J. Richards  
Officer's Signature

10/28/11  
Date

STATE OF Ohio )  
COUNTY OF Franklin ) ss:

On the 28<sup>th</sup> day of October, 20 11, David Richards  
personally appeared before me, who being by me duly sworn did say that  
he/she is an Manager (owner, officer, director, partner, agent  
or other (specify)) of the Operator CS Mining, LLC and duly  
acknowledged that said instrument was signed on behalf of said Operator by  
authority of its bylaws, a resolution of its board of directors or as may otherwise  
be required to execute the same with full authority and to be bound hereby.

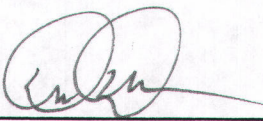
Adam P. Richards  
Notary Public  
Residing at \_\_\_\_\_



Adam P. Richards, Attorney At Law  
NOTARY PUBLIC - STATE OF OHIO  
My Commission Expires \_\_\_\_\_  
Sec. 147.03 R.C.



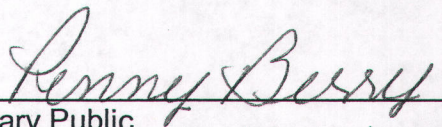
DIVISION OF OIL, GAS AND MINING:

By   
Dana Dean, P.E., Associate Director

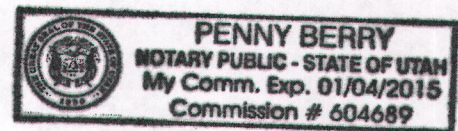
December 7, 2011  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 7<sup>th</sup> day of December, 2011, Dana Dean  
personally appeared before me, who being duly sworn did say that he, the said  
Dana Dean is the Associate Director of the Division of Oil, Gas and  
Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to  
me that he executed the foregoing document by authority of law on behalf of the State  
of Utah.

  
Notary Public  
Residing at: Salt Lake

1/4/2015  
My Commission Expires:





**FACT SHEET**

**Commodity:** Copper, Gold & Silver

**Mine Name:** Bawana Low Grade Ore Pile

**Permit Number:** S/001/0076

**County:** Beaver

**Disturbed Acres:** 3.25

**Operator Name:** CS Mining, LLC

**Operator address:** PO Box 608, Milford, Utah 84751

**Operator telephone:** (435) 387-5053

**Operator fax:** (435) 387-5088

**Operator email:** dmcmullin@csmining.com

**Contact:** David McMullin

**Surety Type:** Cash

**Held by (Bank/BLM):** \_\_\_\_\_

**Surety Amount:** 9,000.00

**Surety Account Number:** \_\_\_\_\_

**Escalation Year:** \_\_\_\_\_

**Tax ID or Social Security (for cash only):** \_\_\_\_\_

**Surface owner:** BLM

**Mineral owner:** CS Mining, LLC

**UTU and/or ML number:** 319488E 4257183N

\*\*\*DOGM Contact: Penny Berry, State of Utah, Division of Oil Gas and Mining, 801 538 5291 or  
bondcoordinator@utah.gov



THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK PRINTED ON THE BACK. THE FRONT OF THE DOCUMENT HAS A MICROPRINT SIGNATURE LINE AND NUMBER. ABSENCE OF THESE FEATURES WILL INDICATE A COPY.

80398 / FXQ 53754-Q

3240



**MOUNTAIN AMERICA**  
FEDERAL CREDIT UNION

# CASHIER'S CHECK

01 1355840

P.O. Box 9001, West Jordan, Utah 84084-9001 • 1-800-748-4302 • [www.macu.com](http://www.macu.com)



16-4220/1220

DATE 08/17/09

\$9,000.00

**PAY**

**\*\* Nine Thousand and 00/100 DOLLARS \*\***

TO THE  
ORDER  
OF

DEPARTMENT OF OIL GAS AND MINING  
RE: WESTERN UTAH COPPER COMPANY  
BAWANA DUMPS

PAYABLE THROUGH PREFERRED BANK LOS ANGELES, CA

MOUNTAIN AMERICA FEDERAL CREDIT UNION

*Angela Brumhoff*  
AUTHORIZED SIGNATURE

MP





# WESTERN UTAH COPPER COMPANY

## Cash RECEIPT

## MINERALS BONDS

Date 8/19/09

Amount \$ 9,000  
Check # 01 1355840

Permit Number	<u>50010076</u>
Operator	<u>Western Utah Copper</u>
For/Memo	<u>Surety - Cash</u>
Signature	<u>Kenny Burrell</u>

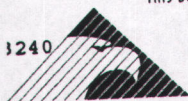
Dear Tom:

Enclosed, please find our cashier check in the amount of \$9,000.00 that was agreed upon for the bonding on the Bawana ore pile. Thanking you and Paul for your assistance in getting this permitted.

*Ra*

Ron Wunderlich

THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK PRINTED ON THE BACK. THE FRONT OF THE DOCUMENT HAS A MICROPRINT SIGNATURE LINE AND BORDER. ABSENCE OF THESE FEATURES WILL INDICATE A COPY.



**MOUNTAIN AMERICA**  
FEDERAL CREDIT UNION

## CASHIER'S CHECK

01 1355840

P.O. Box 9001, West Jordan, Utah 84084-9001 • 1-800-748-4302 • [www.macu.com](http://www.macu.com)



16-4220/1220

DATE 08/17/09

\$9,000.00

PAY  
\*\* Nine Thousand and 00/100 DOLLARS \*\*

ORIGINAL CHECK  
ROUTED TO ACCOUNTING

TO THE  
ORDER  
OF

DEPARTMENT OF OIL GAS AND MINING  
RE: WESTERN UTAH COPPER COMPANY  
BAWANA DUMPS

PAYABLE THROUGH PREFERRED BANK LOS ANGELES, CA

MOUNTAIN AMERICA FEDERAL CREDIT UNION

*Angela Brundhoff*  
AUTHORIZED SIGNATURE

MP



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291

50010076  
Task ID# 449  
cc: Tom  
Paul

RECEIVED

NOV 07 2011

DIV. OF OIL, GAS & MINING

\* \* \* \* \*

APPLICATION FOR TRANSFER  
OF  
NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

Application is hereby made to transfer the permit to commence small mining operations for the  
Bawana Low Grade Ore Pile mine, permit # S/001 / 0076, currently  
operated by Western Utah Copper Company (transferor)  
to CS Mining, LLC (transferee).

As used herein, TRANSFEROR refers to the current operator; TRANSFEE refers to the  
proposed new operator; NOI refers to the Notice of Intention to Commence Large Mining  
Operations; PERMIT refers to the approved (or accepted) NOI, including the reclamation  
contract and reclamation surety.

Upon approval of the Application for Transfer:

1. The Transferor agrees to transfer all rights and obligations to operate under the terms of the NOI to the Transferee, The Transferor will not retain any rights to conduct mining operations within the area covered by the approved NOI.
2. Both parties understand the transfer of the ***NOI is not complete until all the applicable requirements are met***, including the submittal and Division approval of an appropriate reclamation surety and a reclamation contract.
3. The transferee has read and has a copy of the current NOI.
4. The Transferee has inspected the site and is fully aware of all existing conditions and responsible for compliance with the conditions of the permit and the obligations regardless of the nature of the conditions at the site.
5. Transferee shall conduct mining operations on lands included in the NOI in accordance with the Utah Mined Land Reclamation Act, (ACT) Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended), and the rules promulgated under the ACT (R647- et seq., and the approved NOI.
6. The Transferee shall provide a surety in a form and amount approved by the Division to assure reclamation of the lands affected by the mining operations.

The **Transferor** will remain liable for compliance at the mine site until this transfer application is approved.



The signatory below represents that he/she has authority to execute this transfer on behalf of the Transferor, if not a natural person. Statements made in the application are true and correct to the best of my knowledge and belief.

TRANSFEROR:

Western Utah Copper Company

Operator/Transferor Name

By A. John A. Bryan, Jr.

Name of Authorized Officer (Typed or Printed)

Chief Executive Officer

Title of Authorized Officer

[Signature]  
Officer's Signature

Oct. 31, 2011  
Date

STATE OF California

COUNTY OF Los Angeles ) ss: )

On the 31<sup>ST</sup> day of October, 20 11, A. John A. Bryan, Jr.  
personally appeared before me, who being by me duly sworn did say that he/she is  
an Officer (owner, officer, director, partner, agent or other (specify))  
of the Operator Western Utah Copper Company  
and duly acknowledged that said instrument was signed on behalf of said Operator  
by authority of its bylaws, a resolution of its board of directors, or as may otherwise  
be required to execute the same with full authority and to be bound hereby.

[Signature]  
Notary Public

Los Angeles  
Residing at

07/03/2012  
My Commission Expires





The signatory below represents that he/she has authority to execute this transfer on behalf of the Operator/Transferee, if not a natural person; and the operator/transferee is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah. Statements made in the application are true and correct to the best of my knowledge and belief.

TRANSFeree:

CS Mining, LLC

Operator/Transferor Name

By David Richards

Name of Authorized Officer (Typed or Printed)

Manager

Title of Authorized Officer

[Signature]

Officer's Signature

10/28/11

Date

STATE OF Ohio)

COUNTY OF Franklin) ss:

On the \_\_\_\_ day of October, 20 11, David Richards  
personally appeared before me, who being by me duly sworn did say that he/she is  
an Manager (owner, officer, director, partner, agent or other (specify))  
of the Operator CS Mining, LLC  
and duly acknowledged that said instrument was signed on behalf of said Operator  
by authority of its bylaws, a resolution of its board of directors, or as may otherwise  
be required to execute the same with full authority and to be bound hereby.

[Signature]  
Notary Public



Adam P. Richards, Attorney At Law  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration date  
Expires: Sec. 147.03 R.C.



RECEIVED

MAY 04 2015

DIV. OF OIL, GAS &amp; MINING

## CS MINING, LLC

## DELEGATION OF AUTHORITY

## Utah Division of Oil, Gas and Mining Permits

**WHEREAS** the State of Utah Department of Natural Resources, Division of Oil, Gas and Mining ("Division") or Board of Oil, Gas & Mining ("Board") have approved certain CS Mining, LLC ("CS Mining") Mining & Reclamation Plans identified by the following permit identification numbers ("Permit" or "Permits"):

M/001/0067 - Hidden Treasure Operations  
 S/001/0076 - Bawana Low Grade Ore Piles  
 E/001/0159 - Copper Ranch Exploration Project  
 E/001/0172 - Bawana/Sunrise Exploration Project  
 E/001/0177 - Maria Pit Exploration Project  
 E/001/0178 - Candy B Exploration Project  
 E/001/0180 - OK Mine Exploration Project  
 E/001/0172 - Hidden Treasure West Exploration Project  
 E/001/0181 - Cross Roads Exploration Project  
E/001/0188 - Classy B Exploration Project

**WHEREAS** the Division and Board may grant or consider granting additional Permits in the future, including, but not limited to, with respect to additional exploration and mining activities CS Mining may undertake in Millard, Juab, and Beaver Counties, Utah.

**WHEREAS** the Division and Board do not have specific rules or policy regarding signatory requirements related for applications, reports, or other information required by the Permits or requested by the Division or Board (collectively "Submissions"); and

**WHEREAS** the Division has now requested and CS Mining agrees that it is good practice that Submissions be signed by a principal executive officer of the applicant or permit holder or a duly authorized representative of that person; and

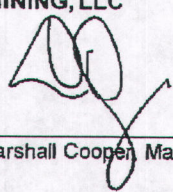
**WHEREAS** CS Mining understands that a person is a duly authorized representative only if: (a) the authorization is made in writing by a Registered Principal of CS Mining; and (b) the authorization specifies either an individual or a position having certain responsibilities, including an individual or position with the overall responsibility for the compliance of the regulated operation with conditions of the Permits; and

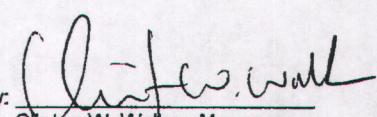
**WHEREAS** the persons executing this Delegation of Authority below are Managers of CS Mining serving in such positions as of the date hereof ("Managers"); and

**WHEREAS** David D. McMullin is Chief Executive Officer of CS Mining and continues to serve in such position on the date hereof, and whom has overall responsibility for CS Mining operational matters, including compliance of the regulated operation with conditions of the permits.

**NOW, THEREFORE:** Effective 9/18/2014, the undersigned Managers hereby delegate to David D. McMullin the authority to act as the duly authorized representative of the Registered Principals of CS Mining with respect to any submittals to the Division or Board.

CS MINING, LLC

By:   
 Marshall Cooper, Manager

By:   
 Clinton W. Walker, Manager





**CS** MINING

April 30, 2015

RECEIVED  
MAY 04 2015  
DIV. OF OIL, GAS & MINING

Mr. Peter Brinton  
Department of Natural Resources  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Dear Peter:

Enclosed is the hard copy of the updated Delegation of Authority you requested that was previously sent to you as an electronic file. I hope this covers your request.

Sincerely,

Leslie Buhler  
Land & Permitting Manager

*CS Mining, LLC*

1208 South 200 West Milford, UT 84751

[p] (435) 387-5053

[f] (435) 387-5088

[w] [csmining.com](http://csmining.com)





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 11, 2012

Ann Pedroza  
State of Utah, Office of State Treasurer  
E315 State Capitol Complex  
Post Office Box 142315  
Salt Lake City, Utah 84114-2315

Subject: Authorization to Change Operator Name from Western Utah Copper to C.S. Mining LLC, S0010076, E0010172, E0010159, Beaver County, Utah

Dear Ms. Pedroza:

The Utah State Treasurer is presently holding funds for the benefit of the State of Utah, Division of Oil, Gas and Mining for Western Utah Copper Company, account number [REDACTED]

Western Utah Copper Company has been through bankruptcy and is no longer registered to do business in Utah. Its assets have been taken over by C. S. Mining LLC. Please make this name change on your records.

If you have any questions or require further discussion regarding this letter, please contact Penny Berry, bond coordinator, at 801-538-5291, or by e mail at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov).

Sincerely,

Dana Dean, P.E.  
Associate Director of Mining

DD:tm:eb

P:\GROUPS\MINERALS\WP\M001-Beaver\M0010067-HiddenTreasure\bond\change operator name.doc





# CS MINING

November 9, 2011

**VIA EMAIL AND FEDERAL EXPRESS**

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84116  
Attn: Penny Berry  
(801) 538-5340  
[pennyberry@utah.gov](mailto:pennyberry@utah.gov)

Cc: Steve Alder, [stevealder@utah.gov](mailto:stevealder@utah.gov)  
Patricia Kedrowski, [Patricia.Kedrowski@wellsfargo.com](mailto:Patricia.Kedrowski@wellsfargo.com)  
Randy Church, [churchrb@wellsfargo.com](mailto:churchrb@wellsfargo.com)  
Denise Dragoo, Esq., [ddragoo@swlaw.com](mailto:ddragoo@swlaw.com)

Re: **Transfers of Permit Nos. S/001/0076, E/001/0159, E/001/0160 S/001/0076,  
E/001/0159 ("Permits") from Western Utah Copper Company to CS Mining,  
LLC**

Dear Ms. Berry:

Pursuant to your communications with Ms. Denise Dragoo, Esq., we wanted to provide you and the Utah Division of Oil, Gas and Mining ("DOGM") information regarding transfer of the above referenced Permits to CS Mining, LLC ("CS") and specifically the cash bonds posted with respect thereto. CS has purchased, and has been assigned all of WUCC's deposits, cash, bonds and accounts pursuant to Section 1.1(d) (referencing "Deposits"), Section 1.1(g) (referencing "Receivables"), Section 1.1(h) (referencing "Purchased Business Permits") and Section 1.1(k) (reference cash and cash equivalents) of that certain Asset Purchase Agreement entered into between WUCC and CS dated as of July 12, 2011 attached hereto as Exhibit A (the "APA"), which was approved pursuant to that certain final Order of the United States Bankruptcy Court for the District of Utah, attached hereto as Exhibit B (the "Order").

CS will of course would accommodate whatever logistics or arrangements that DOGM would prefer with respect to the cash deposits posted by WUCC, but would prefer to simply leave those existing cash deposits in place in connection with the transfer of Permits for purposes of expediency. We would greatly appreciate if you would communicate DOGM's preference to Ms. Dragoo or CS so that we may finalize the transfer of the permits and cash bonds.

**MAIN OFFICE:**  
1208 SOUTH 200 WEST  
MILFORD, UTAH 84751

P: 435.387.5053  
F: 435.387.5088  
[WWW.CSMINING.COM](http://WWW.CSMINING.COM)

**MAILING:**  
P.O. Box 608  
MILFORD, UT 84751



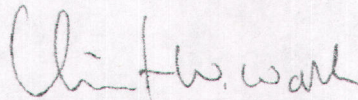
November 8, 2011

Page 2

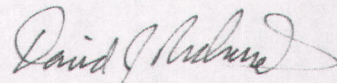
Thank you very much for your assistance with this and the other matters associated with the transfer of permits to CS, and CS looks forward to working with DOGM. If you have any questions regarding the above, please contact Ms. Dragoo at the email address above or (801) 257-1998 or David V. Richards at [dvrichards@empireadvisorsllc.com](mailto:dvrichards@empireadvisorsllc.com).

Best Regards,

**CS MINING, LLC**



Clinton W. Walker, Manager  
General Partner, Clarity Partners, L.P.



David J. Richards, Manager  
President, Empire Advisors, LLC

Enclosures:      Exhibit A, APA  
                         Exhibit B, Order

**MAIN OFFICE:**  
1208 SOUTH 200 WEST  
MILFORD, UTAH 84751

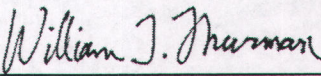
**CS MINING**  
P: 435.387.5053  
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[www.CSMINING.COM](http://www.CSMINING.COM)

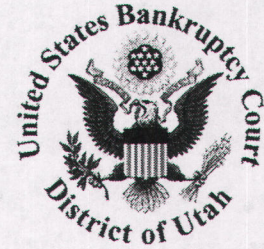
**MAILING:**  
P.O. Box 608  
MILFORD, UT 84751



The below described is **SIGNED**.

Dated: August 22, 2011

  
WILLIAM T. THURMAN  
U.S. Bankruptcy Chief Judge



[Prepared and submitted by]:

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Local Counsel for Chapter 11 Debtors and Debtors-in-Possession

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:

**WESTERN UTAH COPPER COMPANY  
and COPPER KING MINING  
CORPORATION,**

Debtors-in-Possession.

**Case No. 10-29159 WTT**  
(Jointly Administered with  
Case No. 10-3002 WTT)  
Chapter 11

Honorable William T. Thurman

**ORDER GRANTING DEBTORS' MOTION FOR ENTRY OF AN ORDER (A)  
AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS  
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS; (B)  
AUTHORIZING AND APPROVING ASSUMPTION AND ASSIGNMENT OF  
EXECUTORY CONTRACTS AND LEASES AND DETERMINING CURE AMOUNTS;  
(C) WAIVING THE 14-DAY STAY PERIODS SET FORTH IN BANKRUPTCY RULES  
6004(H) AND 6006(D); AND (D) GRANTING RELATED RELIEF**



Upon the Debtors' *Motion For Entry Of An Order (A) Authorizing The Sale Of Substantially All Of The Debtors' Assets Free And Clear Of Liens, Claims, Encumbrances And Interests; (B) Authorizing And Approving Assumption And Assignment Of Executory Contracts And Leases And Determining Cure Amounts; (C) Waiving The 14-Day Stay Periods Set Forth In Bankruptcy Rules 6004(H) And 6006(D); And (D) Granting Related Relief* (Docket No. 732) (the "**Sale Motion**")<sup>1</sup> for the entry of an order pursuant to sections 105(a), 363(b), 363(f), 363(m), and 365 of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 2002(a)(2), 2002(c)(1), 2002(k), 2002(m), 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"): (a) approving the fully executed asset purchase agreement (as filed with the Court as Exhibit "1" to the Declaration of A. John A. Bryan, Jr. in support of the Sale Motion, (Docket No. 736) (the "**Bryan Dec.**"), as the same may be amended from time to time in accordance with the terms thereof) (the "**Asset Purchase Agreement**") by and between CS Mining, LLC ("**CS**" or the "**Purchaser**") and Western Utah Copper Company ("**WUCC**") the Debtors), (b) approving that certain Amended Asset Purchase Term Sheet, dated August 5, 2011, (the "**CKMC Term Sheet**" and together with the Asset Purchase Agreement, the "**Purchase Agreements**") by and between Copper King Mining Corporation ("**CKMC**" and, together with WUCC the "**Debtors**" or "**Sellers**"), as seller, and CS or Skye Mineral partners, LLC ("**Skye**"), or the designee of Skye or CS, as buyer, filed of record as Exhibit "1" to the Second Supplemental Declaration of A. John A. Bryan, Jr., (Docket No. 785) (the "**Second Supp. Bryan Dec.**"), (c) approving the assumption and assignment of executory contracts from the Debtors to CS as identified on Exhibit "3" of the Brian Dec. (collectively, the "**Executory Agreements**"); (d) authorizing the Sale<sup>2</sup> of the Purchased Assets of the Debtors, as identified in the Purchase Agreements, free and clear of all mortgages, deeds of trust, security interests, conditional sale or

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<sup>1</sup> Except where otherwise indicated, capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Sale Motion. For ease of reference, all docket references herein are to the docket numbers in the above jointly-administered chapter 11 Case (Case No. 10-29159 WTT )

<sup>2</sup> As used herein, the term "Sale" means the transactions regarding the Purchased Assets as set forth in the Purchase Agreements.



other title retention agreements, pledges, liens, mechanics', materialmens' and other consensual and non-consensual liens and statutory liens, claims (including, but not limited to, any "claim" as defined in Section 101(5) of the Bankruptcy Code), reclamation claims, covenants, restrictions, hypothecations, charges, indentures, loan agreements, instruments, contracts, leases, licenses, options, rights of first refusal, offsets, recoupment, rights of recovery, orders and decrees of any Court or foreign or domestic governmental entity, claims for reimbursement, contribution, indemnity or exoneration, assignment, preferences, debts, charges, suits, rights of recovery, interests, alter-ego, environmental, successor liability, judgments, demands, encumbrances, constructive or resulting trusts, or other encumbrances or charges of any kind or nature, if any, including but not limited to any restriction on the use, transfer, receipt of income, or other exercise of any attributes of ownership and other interests asserted against either of the Debtors or against the Purchased Assets (all such liens, claims, encumbrances and other interests shall be referred to collectively as the "**Liens**"), other than any permitted encumbrances and assumed obligations (as defined in the Purchase Agreements); and (e) granting certain related relief.

The Court has reviewed the Sale Motion, heard the statements of counsel and reviewed the evidence submitted in support of the relief requested therein at the hearing held before the Court on August 22, 2011, at 1:00 p.m. (the "**Sale Hearing**"). It appears that the relief requested is in the best interest of the Debtors' estates, their creditors and other parties in interest. It appears that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. It appears that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). It appears that venue of these chapter 11 cases and of the Sale Motion is proper in this district and division pursuant to 28 U.S.C. §§ 1408 and 1409. It appears that notice of the Sale Motion and the opportunity for a hearing on the Sale Motion was appropriate under the particular circumstances and that no other or further notice need be given. Accordingly, after due deliberation and sufficient cause appearing therefor,



**THE COURT HEREBY FINDS AND DETERMINES THAT:<sup>3</sup>**

A. The Court has jurisdiction to hear and determine the Sale Motion pursuant to 28 U.S.C. §§ 157(b)(2) and 1334(a). This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this district and in this division pursuant to 28 U.S.C. §§ 1408 and 1409.

B. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004 and 6006, and to any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no reason for delay in the implementation of this Order, and expressly directs entry of judgment as set forth herein and immediate performance by the Debtors of their obligations hereunder.

C. The statutory predicates for the relief requested in the Sale Motion are sections 105(a), 363(b), 363(f), 363(m), and 365 of the Bankruptcy Code and Bankruptcy Rules 2002(a)(2), 2002(c)(1), 2002(k), 2002(m), 6004, 6006, 9007 and 9014.

**Notice of the Sale and Auction**

D. Actual written notice of the Sale, the Sale Hearing, the Sale Motion and the opportunity for parties in interest to submit overbids, together with a reasonable opportunity to be heard with respect to the Sale Motion and the relief requested therein, have been afforded to all interested persons and entities.

E. As evidenced by the declarations and certificates of service previously filed with this Court, proper, adequate and sufficient notice of the foregoing has been provided in accordance with sections 102(1), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006 and 9014. The Debtors also have complied with all obligations to provide

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<sup>3</sup> The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this contested matter pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such.



notice of the Sale, the Sale Hearing, the Sale Motion and over-bid rights to all such parties in interest.

F. The foregoing notice described in paragraphs D and E was good, sufficient and appropriate under the circumstances, and no other or further notice of the Sale, the Sale Hearing, the Sale Motion or of the over-bid rights is required.

**The Results of Debtors' Sale Efforts**

G. As explained in detail in the Bryan Dec., and as further supported by the evidence admitted at the Sale Hearing, the Debtors have made a good faith, thorough and comprehensive effort to solicit higher and better offers for the Purchased Assets, and to market the Purchased Assets to prospective parties who might have an interest in purchasing the same. No higher and better offers of any kind were received for the Purchased Assets prior to the Sale Hearing, and no over-bids for such assets were received prior to the Sale Hearing. As shown by the Supplemental Declaration of A. John A. Bryan, Jr., (Docket No. 780) (the "**Supp. Bryan Dec.**") the Debtors have given extensive notice of the proposed Sale to prospective bidders, and have done extensive advertizing, in an effort to attract alternative proposals. None were received. Moreover, even though the Debtors' exclusive periods for filing and confirming plans of reorganization in these cases expired several months ago, no party in interest has come forward with a viable reorganization plan for either Debtor. Accordingly, the offer of the Purchaser was the highest and best bid received for the Purchased Assets after more than one year of marketing efforts by the Debtors and its professionals.

H. Under the terms of the Purchase Agreements, the Purchaser is to acquire all of the Debtors' right, title and interest in the Purchased Assets, including, without limitation, all proceeds, products, insurance claims, causes of action, improvements, enhancements, subsequent mining rights and other real and personal property interests related thereto.



**Good Faith of Purchaser**

I. Neither the Purchaser, nor any of its affiliates and related companies, is an “affiliate” or an “insider” of either of the Debtors, as those terms are defined in sections 101(2) and 101(31) of the Bankruptcy Code, respectively.

J. The Purchaser is purchasing the Purchased Assets in good faith, is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code, and is therefore entitled to the protections of that provision, and otherwise has proceeded in good faith in all respects in connection with these chapter 11 cases in that: (a) the Purchaser agreed to subject its bid to over-bids as set forth in the Sale Motion; (b) the Purchaser complied with the provisions in the Purchase Agreements; (c) all payments to be made by the Purchaser and other agreements or arrangements entered into by the Purchaser in connection with the Sale have been disclosed; (d) the Purchaser has not violated section 363(n) of the Bankruptcy Code by any action or inaction; (e) no common identity of officers, directors or controlling equity holders exists between the Purchaser and either of the Debtors or any of the Debtors’ affiliates, except Mr. David McMullin as disclosed in the Sale Motion; and (f) the negotiation and execution of the Purchase Agreements and any other agreements or instruments related thereto was at arm’s length. The Debtors and the Purchaser have publicly announced their intention to close as soon as practicable upon the entry of this Order.

**Highest and Best Offer**

K. More than a year prior to selecting the Purchaser to acquire the Purchased Assets, the Debtors engaged various professionals, including financial advisors and attorneys, to seek the highest and best offer in connection with a sale of the Purchased Assets. The Purchaser’s offer was the best offer received in all that time. Combined with that process, the Sale Motion and notice of the Sale Hearing afforded a full, fair and reasonable opportunity for any person or entity to make a higher or otherwise better offer to purchase the Purchased Assets, including the opportunity for an auction. These procedures were duly noticed and conducted in a



noncollusive, fair and good faith manner and a reasonable opportunity has been given to any interested party to make a higher and better offer for the Purchased Assets.

L. The Purchase Agreements constitute the highest and best offer for the Purchased Assets and will provide a greater recovery for the Debtors' estates than would be provided by any other available alternative. The Debtors' determination that the Purchase Agreements constitute the highest and best offer for the Purchased Assets constitutes a valid and sound exercise of the Debtors' business judgment.

M. The Purchase Agreements represent a fair and reasonable offer to purchase the Purchased Assets under the circumstances of these chapter 11 cases. No other person or entity or group of entities has offered to purchase the Purchased Assets for greater economic value to the Debtors' estates than the Purchaser.

N. Approval of the Sale Motion, the Asset Purchase Agreement and the consummation of the transactions contemplated thereby is in the best interest of the Debtors, their creditors, their estates and other parties in interest.

O. The Debtors have demonstrated compelling circumstances and a good, sufficient and sound business purpose and justification for the Sale.

#### **No Fraudulent Transfer**

P. The consideration provided by the Purchaser pursuant to the Asset Purchase Agreement is fair and adequate and constitutes reasonably equivalent value and fair consideration under the bankruptcy Code and under the laws of the United States, any state territory, possession or the District of Columbia.

#### **Validity of Transfer**

Q. Each Debtor has full corporate power and authority to execute and deliver the Purchase Agreements, the Executory Agreements and all other documents contemplated thereby and to consummate the transactions contemplated by the Purchase Agreements. At or before the Closing (hereinafter, as defined in the Purchase Agreements) of the Sale, the Purchase Agreements, the Executory Agreements and all of the transactions contemplated thereby will



have been duly and validly authorized by all necessary company or corporate action of each of the Debtors. No consents or approvals other than the authorization and approval of the Court and those expressly provided for in the Purchase Agreements are required for each of the Debtors to consummate the Sale.

R. The transfer of each of the Purchased Assets to the Purchaser will be, as of the Closing Date, a legal, valid and effective transfer of such Purchased Assets, and vests, or will vest, the Purchaser with all right, title and interest of the Debtors to the Purchased Assets, free and clear of all Liens accruing, arising or relating to any time prior to the Closing Date, except as further provided in this order, and except for any permitted encumbrances and assumed obligations as identified under the Purchase Agreements.

**Section 363(f) Is Satisfied**

S. The Debtors may sell the Purchased Assets to the Purchaser free and clear of all Liens against the Debtors, their estates or any of the Purchased Assets (except for any permitted encumbrances and assumed obligations under the Purchase Agreements) because, in each case, one or more of the standards set forth in section 363(f)(1)—(5) of the Bankruptcy Code has been satisfied. With respect to any and all entities asserting Liens, including, without limitation, any options, pledges, security interests, claims, equities, reservations, third party rights, voting trusts or similar arrangements, charges or other encumbrances or restrictions on or conditions to transfer or assignment of any kind (including, without limitation to the generality of the foregoing, restrictions or conditions on or to the transfer, assignment or renewal of licenses, permits, registrations and authorizations or approvals of or with respect to governmental units and instrumentalities), whether direct or indirect, absolute or contingent, matured or unmatured, liquidated or unliquidated on or against the Purchased Assets either (i) such entity has consented to the sale, transfer, license and assignment, as applicable, free and clear of its Liens, with such Liens to attach to the proceeds of such sale, transfer, license and assignment, as applicable, (ii) applicable non-bankruptcy law permits the sale of the assets free and clear of such Liens; (iii)



such Liens are in *bona fide* dispute; or (iv) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such Liens, so that the conditions of section 363(f) of the Bankruptcy Code have been met.

T. Those holders of Liens against the Debtors, their estates or any of the Purchased Assets who did not object, or who withdrew their objections, to the Sale or to the Sale Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of such Liens who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are adequately protected by having their Liens, if any, attach to the proceeds of the Sale ultimately attributable to the Purchased Assets in which such creditor or interest holder alleges an interest, in the same order of priority, with the same validity, force and effect that such creditor had prior to the Sale, subject to any powers, claims and defenses the Debtors and their estates may possess with respect thereto.

**Assumption and Assignment of Executory Agreements**

U. Based on the evidence submitted in support of the Sale Motion with respect to “cure” payments in connection with the Executory Agreements, there are no “cure” payments to counter-parties to any of the Executory Agreements that are required in connection with the assumption and assignment of such Executory Agreement, and there are no pending “defaults” under such Executory Agreements, with the exception of a cure payment in the amount of \$111,500 that is due to the holder of the lease identified in section 1.3 of Exhibit 3 of the Bryan Dec. (the “**McCulley / Wood Cure Payment**”).

V. The evidence introduced at the Sale Hearing regarding (a) the funds previously advanced by the Purchaser to acquire claims, (b) the funds previously lent by the Purchaser, and their affiliates, to the Debtors for operating expenses, (c) the due diligence expenses incurred by the Purchaser in connection with the foregoing and in connection with the proposed Sale, (d) the funds available to Purchaser to consummate the Sale on the Closing, and (e) the funds available to and anticipated by the Purchaser to continue the development of the Purchased Assets, are all,



taken together, “adequate assurance of future performance” of the Executory Agreements by the Debtors and the Purchaser within the meaning of 11 U.S.C. § 365(b)(1)(C) and 365(f)(2)(B).

W. Payment of the McCulley / Wood Cure Payment to the lessor on or before August 26, 2011, will constitute a “prompt cure” within the meaning of 11 U.S.C. § 365(b)(1)(A).

X. The Debtors have satisfied the requirements of 11 U.S.C. § 365 for assumption of the Executory Agreements and for the assignment thereof to CS.

**Compelling Circumstances for an Immediate Sale**

Y. To maximize the value of the Purchased Assets and preserve the viability of the business to which the Purchased Assets relate, it is essential that the Sale occur within the time constraints set forth in the Purchase Agreements. As provided more fully in the Purchase Agreements, unless this Order is entered forthwith and unless the Closing of the Sale is consummated by August 25, 2011,<sup>4</sup> the Purchaser may terminate its obligation to buy the Purchased Assets. The Purchaser has required that Closing Date because it already has expended considerable funds to purchase claims, and has made significant loans and other advances to the Debtors for operating expenses. The acquired claims and the post petition loans are secured with all, or substantially all, of the Purchased Assets. Some of the post-petition loans had a one year maturity and are now in default. The Debtors do not have available funds to satisfy any of the post-petition loans, do not have a source of capital to replace or refinance the post-petition loans, and do not have sufficient funds to continue operating, continue protecting the Purchased Assets and paying administrative claims, which are accruing. Additional annual payments of at least \$80,000 are due to the Bureau of Land Management on or before August 31, 2011, in order to preserve mining claims, and the Debtors do not have these funds. Absent immediate acquisition of the Purchased Assets, the Debtors are at significant risk that the security interests against the Purchased Assets will be foreclosed, that the value of the Purchased Assets will diminish due to

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<sup>4</sup> See Section 3.1 of the Asset Purchase Agreement. Subject to the conditions set for in Sections 4 and 14 of the Asset Purchase Agreement, the Closing Date may be extended to an Outside Closing Date of September 15, 2011.



lack of adequate protection, and that the value of the Sale to the Debtors' estates will be lost. Furthermore, settlements have been negotiated with various interested parties, and those settlements are time sensitive and require performance within very restrictive time periods. In addition, global market conditions at the present time are extremely volatile and, during the last year, the price of copper has fluctuated widely. Accordingly, time is of the essence in consummating the Sale. Therefore, adequate cause exists to make this Order immediately effective upon its entry, notwithstanding Bankruptcy Rules 6004(g) and 6006(d).

Z. The consummation of the Sale is legal, valid and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), and 365, and all applicable requirements of such sections have been complied with in respect of the transaction.

NOW, THEREFORE, IT IS HEREBY

**ORDERED, ADJUDGED AND DECREED THAT:**

**General Provisions**

1. The relief requested in the Sale Motion is hereby granted and approved, and the Sale contemplated thereby is approved, to the extent set forth in this Order.

2. All objections to the Sale Motion, including, without limitation, those objections contained in Docket Nos. 759, 761 and 775, have either been resolved and withdrawn, in accordance with the terms and conditions of this Order, are hereby overruled on the merits, or the interests asserted in such objections have been satisfied or adequately provided for in this Order or otherwise.

3. The claims and interests of the Internal Revenue Service ("IRS"), if any, as against the Debtors, the Purchased Assets and the Purchaser, as well as against their respective successors, assigns and affiliates, shall be satisfied and paid by the Purchaser in accordance with the terms of that certain "Settlement Term Sheet," dated June 29, 2011, between WUCC, Skye, CS and the IRS, including any amendments, modifications or additions thereto, as the same may be further documented and memorialized.



4. The claims of Nevada Star Resource Corporation and Pure Nickel, Inc. (collectively, "**Nevada Star**"), if any, as against the Debtors, the Purchased Assets and the Purchaser, as well as against their respective successors, assigns and affiliates, shall be satisfied and paid by the Purchaser in accordance with the terms of that certain "Confidential Settlement Term Sheet," dated June 30, 2011, between WUCC, Skye, CS and Nevada Star, including any amendments, modifications or additions thereto as the same may be further documented and memorialized.

5. The claims of Republic Bank, Inc. ("**Republic**"), if any, as against the Debtors, the Purchased Assets and the Purchaser, as well as against their respective successors, assigns and affiliates, shall be satisfied and paid by the Purchaser in accordance with the terms of that certain "Purchase and Sale Agreement," dated July 7, 2011, between Skye and Republic, including any amendments, modifications or additions thereto as the same may be further documented and memorialized.

6. The claims of Beaver County ("**Beaver County**"), if any, as against the Debtors, the Purchased Assets and the Purchaser, as well as against their respective successors, assigns and affiliates, shall be satisfied and paid by the Purchaser in accordance with the terms of that certain "Settlement Term Sheet," dated July 13, 2011, between WUCC, CS, Skye and Beaver County, including any amendments, modifications or additions thereto as the same may be further documented and memorialized.

**Approval of the Asset Purchase Agreement**

7. The Purchase Agreements and the Executory Agreements, and all of the terms and conditions thereof (including, but not limited to, the sale of the Purchased Assets and the assumption and assignment of the Executory Agreements, in exchange for the Purchase Price and the Purchaser's assumption of the assumed obligations, as set forth in the Purchase Agreements), are hereby approved.

8. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized and directed to take any and all actions necessary or appropriate to (a) consummate the Sale of



each of the Purchased Assets to the Purchaser pursuant to and in accordance with the terms and conditions of the Purchase Agreements, (b) timely and promptly close the Sale as contemplated in the Purchase Agreements and this Order, and (c) execute and deliver, perform under, consummate, implement and close fully the Purchase Agreements, and the assignment of the Executory Agreements, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreements and the Sale, including the Executory Agreements, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the Purchase Agreements and the Executory Agreements.

9. The terms and provisions of this Order shall be binding in all respects upon the Debtors, their estates, all creditors of, and holders of equity interests in, the Debtors, any holders of Liens against, or on, all or any portion of the Purchased Assets, the Purchaser and all successors and assigns of the Purchaser, the Purchased Assets and any trustees, if any, subsequently appointed in either of the Debtors' chapter 11 cases or upon a conversion to a chapter 7 under the Bankruptcy Code of either of the Debtors' cases. This Order and the Purchase Agreements shall inure to the benefit of the Debtors, their estates, their creditors, the Purchaser, all interested parties and their respective successors and assigns. The Purchase Agreements shall not be subject to rejection in the Debtors' cases.

#### **Transfer of the Purchased Assets**

10. Pursuant to sections 105(a), 363(f) and 365 of the Bankruptcy Code, the Debtors are authorized to transfer the Purchased Assets on the Closing Date. Such Purchased Assets shall be transferred to the Purchaser upon and as of the Closing Date and such transfer shall constitute a legal, valid, binding and effective transfer of such Purchased Assets and, upon the Debtors' receipt of the Purchase Price, shall be free and clear of all Liens (except any permitted encumbrances and assumed obligations under the Purchase Agreements), with all such Liens to attach to the proceeds realized from the sale (the "**Proceeds**") attributable to the Purchased Assets which were subject to such Liens with the same validity, priority, force and effect that



they now have as against such Purchased Assets, subject to any powers, claims, and defenses the Debtors and their estates may possess with respect thereto.

11. At the Closing, the Purchaser shall pay the Purchase Price (as defined in the Purchase Agreements) to the Debtors, through escrow or directly, as requested by the Debtors.

12. With respect to the lode claims identified in the Limited Objection of Treasure, Inc. [Docket No. 761] (collectively, the "**Disputed Treasure Claims**"), as between CS, as the buyer of the Purchased Assets, and Treasure, Inc., as the alleged holder of the Disputed Treasure Claims, including their respective successors and assigns, nothing in this Order shall constitute an adjudication of the Disputed Treasure Claims, and all rights, claims and defenses regarding the same are hereby reserved and preserved for the respective parties to resolve in an appropriate non-bankruptcy forum of competent jurisdiction, *provided, however*, that if such other forum determines in a final ruling, judgment or order that the Disputed Treasure Claims are invalid or improperly located or that the Disputed Treasure Claims otherwise do not confer upon Treasure, Inc. any senior enforceable mining, exploration or other mineral rights in the Purchased Assets, then the sale of the Purchased Assets to CS shall be free and clear of the Disputed Treasure Claims.

13. Except as expressly permitted or otherwise specifically provided by the Purchase Agreements or this Order, all persons and entities holding Liens or interests in the Purchased Assets (other than the permitted encumbrances and assumed obligations under the Purchase Agreements) arising under or out of, in connection with, or in any way relating to the Debtors, the Purchased Assets, the operation of the Debtors' businesses prior to the Closing Date or the transfer of the Purchased Assets to the Purchaser, hereby are forever barred and estopped from asserting against the Purchaser or its successors or assigns, their property or the Purchased Assets, such persons or entities' Liens, claims or interests.

14. On or after the Closing Date, each creditor is authorized and directed to execute such documents and take all other actions as may be necessary to release Liens (except the permitted encumbrances and assumed obligations under the Purchase Agreements) on the



Purchased Assets, if any, as provided for herein, as such Liens may have been recorded or may otherwise exist.

15. All persons and entities are hereby forever prohibited from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Purchased Assets to the Purchaser in accordance with the terms of the Purchase Agreements and this Order.

16. All entities that received actual or constructive notice of these cases and that are in possession of some or all of the Purchased Assets on the Closing Date are directed to surrender possession of such Purchased Assets to the Purchaser or its assignee at the Closing, or upon Closing of the Sale.

17. If any person or entity which has filed statements or other documents or agreements evidencing Liens on, or interests in, all or any portion of the Purchased Assets shall not have delivered to the Debtors at or prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, release of liens and easements, and any other documents necessary for the purpose of documenting the release of all Liens which the person or entity has or may assert with respect to all or any portion of the Purchased Assets, the Debtors are hereby authorized and directed, and the Purchaser is hereby authorized, to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Purchased Assets as the Purchaser reasonably may request.

18. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deed, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of



the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreements. Without limiting the generality of the preceding sentence, a certified copy of this Order may be filed with the clerk(s) of such court(s) and/or recorded with the recorder(s) of such counties as may be appropriate to cancel any of the Liens and other encumbrances of record (except for the permitted encumbrances under the Purchase Agreements).

19. The Purchaser shall have no liability or responsibility for any obligation of the Debtors, other than the assumed obligations and other than as otherwise expressly set forth in the Purchase Agreements. Without limiting the effect or scope of the foregoing, the transfer of the Purchased Assets from the Debtors to the Purchaser does not and will not subject the Purchaser or its affiliates, successors or assigns or their respective properties (including the Purchased Assets) to any liability for claims (as that term is defined in section 101(5) of the Bankruptcy Code) against the Debtors or the Purchased Assets under the laws of the United States or any state, territory or possession thereof applicable to such transactions.

20. On the Closing Date, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance and transfer of the Purchased Assets or a bill of sale transferring good and marketable title in the Purchased Assets to the Purchaser.

#### **Other Provisions**

21. Effective upon the Closing Date, and except as otherwise provided in the Purchase Agreements or in stipulations filed with or announced to the Court in the Debtors' chapter 11 cases with respect to a specific matter, all persons and entities that received actual or constructive notice of these cases are forever prohibited from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral or other proceeding against the Purchaser, its successors and assigns, or the Purchased Assets, with respect to any (a) Liens (other than a permitted encumbrance under the Purchase



Agreements) arising under, out of, in connection with or in any way relating to the Debtors, the Purchaser, the Purchased Assets or the operation of the Purchased Assets prior to the Closing Date or (b) successor liability, including, without limitation, the following actions: (i) commencing or continuing in any manner any action or other proceeding against the Purchaser, its successors, assets or properties; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Purchaser, its successors, assets or properties; (iii) creating, perfecting or enforcing any Liens or other encumbrances against the Purchaser, its successors, assets or properties; (iv) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due the Purchaser or its successors; (v) commencing or continuing any action, in any manner or place, that does not comply, or is inconsistent, with the provisions of this Order or other orders of the Court, or the agreements or actions contemplated or taken in respect thereof; or (vi) revoking, terminating or failing or refusing to issue or renew any license, permit or authorization to operate any of the Purchased Assets or conduct of the businesses operated with the Purchased Assets, with regard to the licenses, permits or authorizations acquired by the Purchaser.

22. Except for the permitted encumbrances and the assumed obligations under the Purchase Agreements or as otherwise expressly provided for in this Order or the Purchase Agreements, the Purchaser shall not have any liability or other obligation of the Debtors arising or related to any of the Purchased Assets. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein or in the Purchase Agreements, the Purchaser shall not be liable for any claim against the Debtors or their affiliates, and the Purchaser shall not have any successor or vicarious liabilities of any kind or character, whether known or unknown as of the Closing Date, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors arising prior to the Closing Date, including, but not limited to, liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Purchased Assets prior to the Closing Date. The Purchaser has given substantial consideration under the Asset



Purchase Agreement for the benefit of the holders of Liens. The consideration given by the Purchaser shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of the Purchaser, which release shall be deemed to have been given in favor of the Purchaser by all holders of Liens against the Debtors or the Purchased Assets.

23. The transactions contemplated by the Purchase Agreements are undertaken by the Purchaser without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale, unless such authorization and such Sale are duly stayed pending such appeal. The Purchaser is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of section 363(m) of the Bankruptcy Code.

24. The consideration provided by the Purchaser for the Purchased Assets under the Purchase Agreements is fair and reasonable and may not be avoided under section 363(n) of the Bankruptcy Code.

25. Pursuant to Bankruptcy Rules 7062, 9014, 6004 and 6006, and notwithstanding Bankruptcy Rules 6004(g) and 6006(d), for cause, as found above, this Order shall be effective immediately upon entry, shall not be stayed by operation of Bankruptcy Rules 6004(g) or 6006(d), and the Debtors and the Purchaser are authorized to close the Sale immediately upon entry of this Order.

26. Nothing in this Order or in the Purchase Agreements approves or provides for the transfer to Purchaser of (a) any avoidance or recovery claims of the Debtors' estates (whether under chapter 5 of the Bankruptcy Code or otherwise), or any proceeds thereof, or (b) any other excluded assets (as defined in the Purchase Agreements), *provided, however*, that any and all recovery, avoidance, general and specific claims and causes of action of the Debtors, or their respective estates, as against the Purchaser and its affiliates, successors and assigns, including, without limitation, Skye, Skye Mineral Investors, LLC, Empire Advisors, LLC, Altus Metals, LLC, Strategic Capital Partners, LLC, Winterfox, LLC, Clarity Management, LP, Clarity



Copper, GP, Clarity Copper, LLC, and their respective officers, members, directors, employees, agents and owners, are hereby forever released, waived and discharged, *except for and excluding* claims for payment of the Purchase Price and for future performance of obligations under the Purchase Agreements.

27. Nothing contained in any chapter 11 plan confirmed in either or both of these cases, or in any order confirming any such plan(s), shall conflict with or derogate from the provisions of the Purchase Agreements or the terms of this Order.

28. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale, unless otherwise ordered.

29. Except as otherwise specifically provided above in this Order, all governmental entities, the Debtors and the Purchaser reserve their respective rights, claims and defenses with regard to any actual or potential income tax liabilities.

30. The failure specifically to include any particular provision of the Purchase Agreements in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Purchase Agreements be authorized and approved in their entirety.

31. Section 14.3 of the APA is hereby deemed amended to delete the phrase “. . . for a period of six (6) months following the Closing . . .” as contained therein, and to replace such phrase with “. . . for a period of one (1) year, or such additional time as may be ordered by the Court in an order entered after appropriate notice to the Purchaser within such one (1) year period, following the Closing . . .”

32. The Purchase Agreements and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto and in accordance with the terms and limitations of the Purchase Agreements, without further notice, hearing, or order of the Court.

33. The Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order and the Purchase Agreements, all



amendments thereto and any waivers and consents thereunder and each of the agreements executed in connection therewith (including, but not limited to, the Executory Agreements) to which the Debtors are a party or which has been assigned by the Debtors to the Purchaser, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale.

34. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

35. To the extent there are any inconsistencies between the terms of this Order and the Purchase Agreements or any related agreements, documents or other instruments, the terms of this Order shall control.

36. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Sale Motion in these chapter 11 cases, the terms of this Order shall govern.

37. There being no reason for delay, the Clerk of this Court is hereby directed to enter this Order as a final order and judgment of the Court.

\*\*\*\*\* End of Order \*\*\*\*\*



**FAX COVERSHEET**

**TO: DR. PATRICE HIRNING**

**DATE: NOVEMBER 7, 2011**

**FROM: JULIE MCKENZIE**

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Dr. Hirning:

Attached is the application for the disabled parking placard. Please sign and fax back to me at: 801-257-1800.

Thanks!

Julie McKenzie  
801-257-1959



**Penny Berry - Bawana E0010161**

50010076

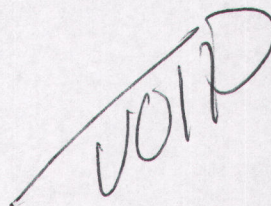
**From:** Penny Berry  
**To:** Tom Munson  
**Date:** 9/14/2009 3:26 PM  
**Subject:** Bawana E0010161

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Hi Tom,

Finally I received a State Treasurer stamped copy of the check. The check we received was for \$9,000.00 but in the letter we sent to the operator we asked for \$9,100.00 we are missing a \$100.00 Please call the operator and let them know. Thanks.

Penny





**Penny Berry - S0010076 Bawana**

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**From:** Penny Berry  
**To:** ronw@scinternet.net  
**Date:** 8/19/2009 10:57 AM  
**Subject:** S0010076 Bawana  
**Attachments:** reclamation contract SMO 12-11-08.DOC

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Hi Ron,

We received your check in the amount of \$9,000 today, August 19, 2009. However, we still do not have a reclamation contract. For your convenience I have attached a copy of the reclamation contract. If you have any questions please call 801-538-5291 or email. Thank you.

Penny Berry  
Bond Coordinator



# WESTERN UTAH COPPER COMPANY

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August 17, 2009

Mr. Tom Munson  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: Bawana Low Grade Ore Pile  
NOI \_\_\_\_\_

Dear Tom:

Enclosed, please find our cashier check in the amount of \$9,000.00 that was agreed upon for the bonding on the Bawana ore pile. Thanking you and Paul for your assistance in getting this permitted.



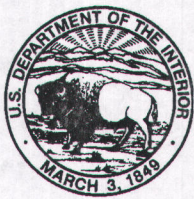
Ron Wunderlich

**RECEIVED**

**AUG 19 2009**

**DIV. OF OIL, GAS & MINING**





# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

### Color Country District Office

#### Cedar City Field Office

176 East DL Sargent Drive

Cedar City, UT 84721

Telephone (435) 586-2401

[www.blm.gov/ut/st/en/fo/cedar\\_city.html](http://www.blm.gov/ut/st/en/fo/cedar_city.html)

### In Reply Refer To:

3809

UTC010: UTU-83086

August 18, 2009

### Memorandum

To: Opie Abeyta  
From: Ed Ginouves, Cedar City Field Office  
Subject: **Financial Security Request**

The Cedar City Field Office has received a new plan of operations, under the 43 CFR 3809 regulations, to conduct surface disturbing activity on BLM lands managed through this office. The plan will require the posting of a financial security to be in compliance with the regulations. The operator has negotiated an acceptable bond with the DOGM, the CCFO also supports. Pertinent information for this operation is abstracted below. Call or E-mail me if you have any questions.

Case Name: Bawana Stockpile Removal (*New Plan of Operation*)  
BLM Case File: UTU-83086  
DOGM file: S/001/  
NEPA Number: DOI-BLM-UT-C010-2009-0061-EA

Operator: Western Utah Copper Co.  
Contact: Ron Wunderlich  
Phone: 435-387-5053 (office), 435-691-2601 (cell)  
E-Mail: [ronw@scinternet.net](mailto:ronw@scinternet.net)

Type: 43 CFR 3809, excavation and removal of existing stockpiles

Legal Description: T. 27 S., R. 11  
Sec. 22: portions of SWNESE (BLM land)

Claims: Rtl #25 & 27 (UMC 355039, 355031) unpatented lode mining claims

Location Info: Beaver County, Utah; southernmost extent of the Rocky Range  
BLM 1:100,000 Wah Wah Mtns. land status quadrangle;  
USGS 7.5' Milford quadrangle;

Proposed Action: WUCC has requested authorization, under the 43 CFR 3809 regulations, to excavate and remove low-grade copper ore from stockpiles that were set aside when the Bawana deposit was mined from 1962-1967. The stockpiled material would be excavated by a wheeled loader, loaded into haulage trucks and trucked to the company's mill facility on private land 4½ miles to the west. The haulage route is entirely on existing roads that can be used without changing their current width/utility. The material would be processed in the mill facility to recover contained copper mineralization.

Acreage Disturbed: ~4 acres, all on BLM-managed land

Financial Security: **This operator will be required to post a financial security of \$9,000.00 to secure reclamation of the plan level work, as required by 43 CFR 3809.552.**



**Ron Wunderlich**

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**From:** "Tom Munson" <tommunson@utah.gov>  
**To:** "Ron Wunderlich" <ronw@scinternet.net>  
**Sent:** Wednesday, August 12, 2009 12:09 PM  
**Subject:** Re: Bawana Low Ore Pile NOI

Paul has never been to the mine or Mill and wants to have a better idea of what happening. Thanks Ron I also talked with paul and he decided on 3,000 for the first acre and 2,000 for each additional acre, so that amounts to \$9,000 for 4 acres, a savings of \$11,300.

Tom Munson  
 801-538-5321  
[tommunson@utah.gov](mailto:tommunson@utah.gov)

>>> "Ron Wunderlich" <ronw@scinternet.net> 8/12/2009 10:25 AM >>>  
 Yes -- Mark or I will make ourselves available.

----- Original Message -----

**From:** [Tom Munson](#)  
**To:** [Ron Wunderlich](#) ; [Paul Baker](#)  
**Sent:** Wednesday, August 12, 2009 7:58 AM  
**Subject:** Re: Bawana Low Ore Pile NOI

Hello Ron,  
 Paul Baker and myself are arriving for a visit on August 26th at about 12-1. Can someone be available to show us around? Thanks Tom

Tom Munson  
 801-538-5321  
[tommunson@utah.gov](mailto:tommunson@utah.gov)

>>> "Ron Wunderlich" <[ronw@scinternet.net](mailto:ronw@scinternet.net)> 8/11/2009 11:50 AM >>>  
 Tom & Ed.

Attached is a new NOI to move the Bawana low grade ore pile from it's present position to the mill for processing. Mark wanted me to find out if we could only access between 10K and 20K ton for testing purposes but I suggested we do the paper work for the entire ore pile to eliminate additional future paperwork. A hard copy of the application is being sent to DOGM today in the mail.

Since funding is a little tight on this end, I was hoping you could come up with a stepped plan where as the ore pile is removed, we could reclaim that area and move onto additional areas and do the same thing as the pile is moved. Another avenue would be to use a portion of the over bonding on the LMO for the Hidden Treasure and mill operation. Please advise on how you wish to handle this.

Ron